



USAID
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ROMANIA

GLOBAL CLIMATE CHANGE

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Through USAID's assistance in the energy sector, Romania has made great advances in reducing greenhouse gas emissions, especially through new policies and regulatory structures. Complemented by activities in the agriculture and water sectors, overall management and environmental standards are continuously being improved.

Background. Reducing the risks posed by climate change is an important element of USAID's assistance provided to Romania through energy and environment programs. The energy sector in Romania accounts for the largest contribution of greenhouse gas (GHG) emissions. Therefore, under USAID/Romania's energy program, work has been done to improve the efficiency of energy production, distribution, and utilization.

Sector-Specific Climate Change Activities. Under USAID/Romania's environment program, assistance has focused on policies and regulatory structures that contribute to reducing GHG concentrations. Through activities implemented under agriculture and environment programs, USAID also provides assistance to improve water resources management.

Energy Sector Initiatives. USAID supports many activities that address the restructuring, commercialization, and privatization of the power sector, as well as support for the establishment of independent energy regulatory authorities in Romania. These pursuits most directly affect the Romanian Regulatory Agency in the Energy Sector (ANRE), the Romanian Regulatory Agency for the Gas Sector, and several other power agencies.

Commercialization and opening of the power generation market is further supported through the Regional Utility Partnership program, which supports information exchange, workshops, and progress toward efficient operation and sustainability. The technical assistance and training provided through these programs encourage the Romanian power sector to move toward efficient operation, restructuring, and commercialization. USAID also funds a Utility and Regulatory Partnership Program that has been implemented by the United States Energy Association. The purpose of the program is to help power utilities and the ANRE restructure and increase efficiency in their operations so that they become more market-oriented and self-sustaining.

Through the regional USAID EcoLinks program, a grants program was implemented to support energy efficiency and cleaner production technology projects and develop market-based solutions to urban and industrial pollution problems. To date, 49 challenge grants amounting to \$2.3 million in grants and \$1 million in cost sharing were issued to Romanian businesses and municipalities for implementation of projects in waste management, cleaner production, and energy efficiency areas. These grants resulted in \$500,000 savings and reductions of 400,000 tons of carbon dioxide and 10,000 tons of nitrogen oxide. They also succeeded in attracting investments amounting to approximately \$100 million that will

USAID's partners in climate change activities in Romania include*:

- Ministry of Agriculture, Forests, Waters, and Environmental Protection (MAFWEP)
- Ministry of Economy and Trade
- Mississippi Power Company
- National Environmental Fund Administration (NEFA)
- Romanian Waters National Administration (ANRA)
- Romanian Agency for Regulations in the Energy Sector (ANRE)
- Romanian Regulatory Agency for the Gas Sector (ANRGN)
- United States Energy Association (USEA)
- Export-Import Bank of the United States

* Because partners change as new activities arise, this list of partners is not comprehensive.

For more information on Romania, visit USAID/Romania's Mission Web site at:

- <http://www.usembassy.ro/usaaid.htm>

be used to implement pollution prevention and reduction programs that will further reduce GHGs.

USAID/Romania has also supported efforts to develop an environmental finance strategy to address the opportunities and priorities for reducing air pollution, including GHGs. Power plants' environmental liabilities are being assessed through an energy privatization project, and measures have been proposed to mitigate their environmental impact. USAID's existing environmental programs in Romania also contribute to reducing GHG emissions through waste minimization, pollution prevention, cleaner production, and institution building.

Water Management and Pollution Reduction. The environmental programs are evident through the collaboration between USAID and Romania's Ministry of Agriculture, Forests, Waters, and Environmental Protection (MAFWEP). With regard to water resources, USAID funded a feasibility analysis for a hydrological early warning system, which will help improve watershed management and reduce the chances of transboundary pollution. To implement this system, a \$46 million sovereign guarantee was approved for an external credit provided by the Export-Import Bank of the United States.

USAID also assists the Romanian government in strengthening its capacity to improve water management through improvement of water and soil monitoring that will lead to better water quality and abatement of environment degradation. Assistance focuses on the reduction of the environmental impacts of nitrates and phosphates from agricultural sources in Calarasi judet (county), which is located on the Danube very near its delta on the Black Sea coast. It is a heavily polluted area due to high nutrient discharges from agricultural sources.

Policy support provided by USAID to MAFWEP focused on establishment of a transparent environmental fund through which pollution-reduction projects would be financed. The fund has grown to more than \$8 million, which will be used for funding critical environmental projects.

Sustainable Forest Management and Agricultural Practices. Additionally, MAFWEP promotes privatization, environmentally sustainable technologies, and sound forest management practices of public and private forested lands. Under an ongoing partnership with several land grant universities, USAID continues to provide support to rural communities to develop sustainable forest management policies and practices that encourage commercial use of forest resources. USAID is also helping the government develop coherent policies that promote control of agricultural practices, standards for food quality and sanitation packaging, landfill management, and pollution prevention and control.